



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

March, 6, 2009

GENERAL LETTER NO. 8-O-9

ISSUED BY: Bureau of Medical Supports,
Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 8, Chapter O, **IOWACARE**, pages 15, 16, 36,
46, 48, 55, 56, 61, and 62, revised.

Summary

This chapter is revised to update the federal poverty levels and the IowaCare premiums for 2009.

Effective Date

April 1, 2009

Material Superseded

Remove the following pages from Employees' Manual, Title 8, Chapter O, and destroy them:

<u>Page</u>	<u>Date</u>
15, 16, 36, 46, 48	March 7, 2008
55	September 14, 2007
56, 61, 62	March 7, 2008

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Time Limit for Renewal Applications

Legal reference: 441 IAC 92.11(249A,249J)

For renewal applications submitted before the last three working days of the current certification period, approve or deny by the last working day before the current certification period. See [Time Limit for Eligibility Decision](#) when the determination may take longer.

For *IowaCare Renewal Applications* submitted for a new certification period during the last three working days of the current certification period, the determination shall be completed no later than three working days after the filing date of the application.

Determining IowaCare Eligibility

Who Is Eligible for IowaCare

Legal reference: 441 IAC 92.2(249A,249J)

IowaCare is available only to persons who:

- ◆ Are over income or over resources for Medicaid; or
- ◆ Are not categorically eligible for Medicaid coverage groups

NOTE: Persons who are eligible for a Medicare savings program, including qualified Medicare beneficiaries, specified low-income Medicare beneficiaries, expanded specified low-income Medicare beneficiaries, and qualified disabled and working people, are considered to be "categorically eligible," but persons who are eligible for the Iowa Family Planning Network are not.

Persons 19 through 64 years of age are eligible for IowaCare if they have net countable income at or below 200% of the federal poverty level.

Qualifying pregnant women are eligible for IowaCare if they:

- ◆ Have gross countable income below 300% of the federal poverty level; and
- ◆ Have allowable family medical expenses that reduce countable income to 200% of the federal poverty level.

Newborn children are eligible for IowaCare if born to a mother who is eligible for IowaCare because the mother reduced countable income to 200% of the federal poverty level.

Newborns under IowaCare will be eligible while hospitalized and for a period not to exceed 60 days from the date of birth. When a newborn qualifies for eligibility in a regular Medicaid coverage, change the case to that eligibility type and provide all benefits of the regular Medicaid program. Newborns of IowaCare-eligible mothers are not eligible as a newborn of a Medicaid-eligible mother.

1. Mr. A, age 30, and Mrs. A, age 29, have net countable income of 150% of the federal poverty level. They are not eligible for any other Medicaid coverage group. They meet the age and income guidelines for IowaCare.
2. Ms. M, who is pregnant, applies for IowaCare. Her gross countable income is below 300% of the federal poverty level. She has unpaid medical expenses that reduce her income to 200% of the federal poverty level. Ms. M is approved for IowaCare as a qualifying pregnant woman.

When Ms. M's baby is born, the baby is added to Ms. M's case.

3. Mrs. J, who is pregnant, applies for IowaCare. Her net countable income is \$3,600 per month, which is below 300% of the federal poverty level. Mrs. J has \$450 in unpaid medical expenses. This reduces her income to \$3,150.

Mrs. J's income is not reduced to 200% of the federal poverty level. She is denied IowaCare. She may reapply when she has more unpaid medical expenses.

Who Is Not Eligible for IowaCare

Legal reference: 441 IAC 92.2(249A,249J)

Persons are not eligible for IowaCare if they:

- ◆ Are under age 19.
- ◆ Are aged 65 or older.
- ◆ Have income above 200% of the federal poverty level, or are pregnant and have income above 300% of the federal poverty level.

Income Policies

Legal reference: 441 IAC 92.2(1)"a"(1), 92.2(1)"b"(1), 92.5(249A,249J)

Eligibility for IowaCare is based on the income of an applicant's or member's household as of the date of decision based on the applicant's or member's declaration of income. To be eligible, the household's income minus allowable deductions shall not exceed 200% of the federal poverty level for the household size, or 300% of the federal poverty level for a qualifying pregnant woman.

Income Limit	IowaCare Household Size						
	1	2	3	4	5	6	7
200%	\$1,805	\$2,429	\$3,052	\$3,675	\$4,299	\$4,922	\$5,545
300%	\$2,708	\$3,643	\$4,578	\$5,513	\$6,448	\$7,383	\$8,318

1. Mr. S files an *IowaCare Application* and states that his monthly gross income from working is \$500. The IM worker determines his eligibility based on the information provided on the application.
2. Mr. J files an *IowaCare Application* on July 6 and states that his monthly gross income from working is \$600. On July 8, Mr. J calls to report that his income has changed and that he will receive \$650 monthly income. The IM worker determines eligibility on July 9 using the \$650 income that he reported on July 8.

Household Size

Legal reference: 441 IAC 92.5(1)

The household size includes the applicant or member and spouse and dependent or unborn children of the applicant or member who are living in the same home.

EXCEPTION: Do not include the following:

- ◆ A spouse or dependent child who receives Supplemental Security Income.
- ◆ A foster child who is not included in the household size, or
- ◆ A child who is ineligible for Medicaid because of nonfinancial reasons or was voluntarily excluded.

Medical expenses are deducted only at the time of application. To receive the deduction, the woman must verify the expenses. The medical expenses that can be deducted are:

- ◆ Medical and dental expenses, and
- ◆ Health insurance premiums, deductibles, copayments, or coinsurance charges. NOTE: If the health insurance covers the qualifying pregnant woman, she must explain the reason she needs IowaCare.

1. Ms. N is pregnant and applies for IowaCare on July 15. She declares on her application that her monthly gross earned income is \$3,500.

Ms. N submits a copy of her pay stub showing a deduction of \$90 biweekly for her health insurance premium (a single plan). She also submits an unpaid bill for outpatient care for \$600 that occurred in June and a receipt indicating \$10 for prenatal vitamins that she bought on July 5. Her total medical expenses are \$790.

The household size is two as Ms. N's unborn is counted in the household size. When asked, Ms. N indicates that she would not be able to meet the high Medically Needy spenddown. Ms. N meets all other eligibility requirements for IowaCare as a qualifying pregnant woman.

The IM worker enters \$3,500 on the ABC BCW2 screen in an earned income field and the \$790 medical expenses in "DEDUCT 6" field.

Step 1: The ABC system deducts 20% from Ms. N's gross earned income and determines that her countable earned income is \$2,800. The ABC system determines that \$2,800 is below 300% of the federal poverty level for a household size of two.

Step 2: The ABC system then deducts the \$790 medical expenses from Ms. N's countable earned income of \$2,800. The countable income after the medical expenses deduction is \$2,010. The ABC system determines that Ms. N has reduced her income below 200% of the federal poverty level for a household size of two.

The system sends Ms. N a *Notice of Decision* to indicate that she is eligible for IowaCare and that she will have a premium to pay.

2. Ms. A is single and pregnant. She lives with the unborn child's father, Mr. B. Ms. A applies for IowaCare. She states that her monthly gross earned income is \$2,800 per month and Mr. B has \$1,800 monthly gross earned income. Based on this information, the IM worker determines that Ms. A would be over income for MAC.

Premium Amount

Legal reference: 441 IAC 92.7(249A,249J), 92.7(1)

Establish the monthly premium amount for a 12-month certification period beginning with the first month of eligibility. The premium is based on projected monthly income for the 12-month certification period.

The listed premium amount is calculated based on the lowest income level in each 10% increment for a one-person household. Households with income at or below 100% of the poverty level are not subject to a premium. Premiums for households with income over 100% of the poverty level are 5% of the applicable income level.

The monthly premium amount is based on the household's net countable monthly income as a percentage of the federal poverty level (FPL) for a household of that size as follows:

When the household's income is at or below:	Each member's premium amount is:
100% of FPL	\$0
110% of FPL	\$45
120% of FPL	\$49
130% of FPL	\$54
140% of FPL	\$58
150% of FPL	\$63
160% of FPL	\$67
170% of FPL	\$72
180% of FPL	\$76
190% of FPL	\$81
200% of FPL	\$85

The system calculates the premium amount. If a correction needs to be made to increase the premium, refer to Employee's Manual 14-B(4), [MIPC=IowaCare Premium Changes](#). The system rounds the poverty level up to the next whole number. For example, 159.30% rounds up to 160%.

Mr. X's income is 101% of the FPL. The chart indicates that his premium is \$45.

Partial payments received without a signed request for hardship are treated as a credit to the member's IowaCare account or used to pay the balance on a month owed.

1. Mr. T is single and applies for IowaCare on April 30. He is approved for IowaCare May 2. The four mandatory months are June, July, August, and September. When Mr. T finds out his premium amount, he says it will be tough to pay. The IM worker explains he can claim a hardship on his premium billing statement and that he must do this monthly.

Mr. T receives the billing statement for June with a due date of June 30. He signs a statement that he would have a hardship paying the premium for June. The envelope is postmarked June 30. Personnel at the IME enter hardship for the month of June.

In July, a billing statement is sent to Mr. T with a due date of July 31. He sends in \$25 as a partial payment and signs the hardship statement on the billing statement. This is postmarked by the due date on the billing statement. The Department applies the partial payment to the month of July and grants Mr. T a hardship for the remaining amount of the premium.

In August, another billing statement is sent to Mr. T. He doesn't sign and return the statement that he has a hardship by August 31. He is now required to pay the August premium.

In September, the fourth mandatory billing statement is sent to Mr. T with a due date of September 30. He signs a statement that it would be a hardship paying the premium for September. Personnel at the IME enter hardship for the month of September.

Mr. T has not paid the premium for August. He receives a notice of cancellation effective October 1. If he pays the premium and it is postmarked before September 30, his IowaCare case will be reopened.

2. Mr. A receives a *Notice of Decision* stating the amount of his premium. He receives his *IowaCare Premium Notice Reminder* May 17. Mr. A calls his IM worker on May 18 and explains that he does not have enough money to pay his May premium, but that he could pay \$20.

The worker tells him to send the check for \$20 and to sign the hardship statement at the bottom of the *IowaCare Premium Notice Reminder*. The worker also tells him that the hardship claim must be postmarked no later than May 31. The worker explains that the \$20 will be applied to the month of May and Mr. A will be exempted from paying the remainder of the May premium.

The worker explains that for the future months, Mr. A has three options:

- ◆ To pay the premium in full, or
- ◆ To make a partial payment (the amount that he can afford to pay) and sign the hardship statement stating he is unable to pay, or
- ◆ To sign the hardship statement indicating that he is unable to pay the entire premium due to hardship.

3. The premium is \$54 and the balance owed is \$54. The member pays \$25 and signs the *IowaCare Billing Statement* claiming hardship. The statement is postmarked by the due date. \$25 is applied to the month and MIPS zeroes out the remainder of the amount. The balance is zero.
4. The premium is \$54 and the balance owed is \$54. The member pays \$25 and does not sign the *IowaCare Billing Statement* claiming hardship. MIPS applies the \$25 as a credit. The balance owed is \$29. The member may still claim hardship for the remainder of the month by sending in a signed *IowaCare Billing Statement* that is postmarked by the due date.
5. The premium is \$54 and the balance owed is \$108. The member pays \$54 and signs the *IowaCare Billing Statement* claiming hardship. The statement is postmarked by the due date. MIPS applies the \$54 to previous month and hardship is granted for the current month. The balance owed is zero.
6. The premium is \$54 and the balance owed is \$108. The member pays \$25 and signs the *IowaCare Billing Statement* claiming hardship. The statement is postmarked by the due date. When a partial payment is paid for a previous month, MIPS applies the \$25 as a credit and hardship is granted for the current month. MIPS will show \$54 owed. The actual balance owed is \$29 (\$54 owed - \$25 credit).
7. The premium is \$54 and the balance owed is \$54. The member pays \$54 and signs the *IowaCare Billing Statement* claiming hardship. The statement is postmarked by the due date. MIPS applies the \$54 to the month. MIPS does not allow hardship for the month as the member made full payment for the month. The balance owed is zero.
8. The premium is \$54 and the balance owed is \$54. The member pays \$74 and signs the *IowaCare Billing Statement* claiming hardship. The statement is postmarked by the due date. MIPS applies \$54 to the month and applies a \$20 credit. MIPS does not allow hardship for the month as the member made full payment for the month. The balance shows a \$20 credit.

6. Mr. N reports on January 15 that his income has decreased. The IM worker enters the new monthly income into the ABC system. The change is effective February 1. The premium amount is decreased.
7. Mr. S reports on January 29 that his income has decreased. The IM worker enters the new monthly income into the ABC system. The change is effective February 1. The IM worker has to access the MIPC screen to reduce the premium for February.
8. Ms. G reports that her husband has returned home. The IM worker changes the household size on the ABC system from two to three, effective the following month. The premium amount is decreased. Since the premium cannot be increased due to income increasing for the household, the worker does not ask about Mr. G's income.
9. Mr. Z, age 61, is approved for IowaCare effective February 1. He has earned income that is used to determine his premium. Mrs. Z, age 61, is a considered person on the IowaCare case.

In July, the Zs want Mrs. Z to receive IowaCare. They also report that Mr. Z earned income has decreased and that both Mr. Z and his wife will start receiving Social Security income in August.

The IM worker changes Mrs. Z to an active person on the case and decreases the earned income amount. Mr. Z's premium will decrease and Mrs. Z will have the same premium amount. The worker does not use the Social Security income until the Z's submit the *IowaCare Renewal Application* in January.

Recalculate the member's eligibility when it is discovered that:

- ◆ A member's premium was miscalculated, or
- ◆ A member misrepresented household circumstances.

If the member remains eligible, reassess the premium for future months. Give the member the opportunity to claim hardship for an increased premium only when the Department miscalculated the premium.

Mr. X declares that his unearned income is \$1,050 per month. His premium is calculated to be \$49 per month beginning July 1. Quality Control reviews his case in December and finds that his unearned income is \$1,500 per month and that he should have been paying a premium of \$72 per month.

The IM worker enters the \$1,500 on to the BCW2 for January. The worker does not give Mr. X the opportunity to claim hardship. The IM worker completes a recoupment for the months of July through December for \$138 (\$23 x 6 months). The worker asks the SPIRS help desk staff to correct the premium to the higher amount on the ABC TD05 screen.

Recovery

Legal reference: 441 IAC 76.12(249A), 92.10(2), 92.13(249A,249J)

The Department recovers all IowaCare funds incorrectly expended on behalf of the member. See 8-A, [Recovery](#).

Establish an overpayment for months that IowaCare was received incorrectly. When establishing an overpayment for past months, determine if the overpayment was an agency error or a member error. If it is established that the member should have paid a premium:

- ◆ Allow the member the opportunity to claim hardship for the past months if the overpayment was an agency error.
- ◆ Do not allow the member to claim hardship for the past months if the overpayment is due to the member misrepresenting household circumstances.

The Department shall recover IowaCare funds expended on behalf of a member from the member's estate. See 8-D, [Estate Recovery](#).

Any funds that a provider (other than a state mental health institute) recovers from third parties, including Medicare, shall be submitted to the Iowa Medicaid Enterprise, and an adjustment shall be made to a previously submitted claim.

1. Mr. Y declares that his gross income was under 200% of the federal poverty level. He is approved for IowaCare July 1. Quality Control reviews his case in November and finds that his gross income was 250% of the federal poverty level for the month of July. Mr. Y was not eligible for IowaCare.

The IM worker cancels the case and does a recoupment for the months that Mr. Y was on IowaCare.

2. Same Example 1, except Quality Control finds that in October Mr. Y's income dropped below 200% of the federal poverty level. The IM worker does not cancel the case, but does do a recoupment for the months of July, August, and September.